

DNR NEWS

Energy and Waste Management Bureau

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GASOLINE PRICES DECLINE IN NOVEMBER

DES MOINES – Gasoline prices decreased \$0.07 from October to an average of \$1.38 for a gallon of self-serve, regular unleaded gasoline, according to the DNR's November 15 Gas Monitors survey. Prices across the state ranged from \$1.22 to \$1.54 per gallon and are \$0.25 higher than this time last year. The average price for regular unleaded with ethanol was \$1.37 per gallon. The latest data shows ethanol-blended gasoline represents 57.3 percent of the market share.

Retail conventional unleaded gasoline prices in Iowa are \$0.03 below the national average of \$1.41, and \$0.04 below the regional average of \$1.42 per gallon.

Gasoline prices have been moving lower over the last month, responding to falling crude prices, lower gasoline demand and an increase in refinery production. Crude oil prices are down nearly 10 percent from last month, pushing gasoline prices lower. Crude oil makes up approximately 39 percent of the cost of a gallon of gasoline. National gasoline demand declined to 8.8 million barrels per day, down 5 percent from the previous week. Demand is projected to remain at current levels until the start of the Thanksgiving holiday travel period. Gasoline price declines also are being supported by a 10 percent increase in refinery production, as refiners make heating oil for the northeast region of the country. For every barrel of crude oil that is refined to make heating oil, approximately 19 gallons of gasoline are produced as a by-product.

"Despite the recent price declines at the pump, gasoline prices remain vulnerable to price spikes, with national gasoline inventory levels at a 5.5 percent deficit compared to last year," said David Downing, energy data analyst for the DNR. "Any further declines in gasoline inventory or import levels will push prices higher."

The average price of self-serve diesel fuel for November was \$1.46, down \$0.05 from last month. Diesel fuel was \$1.33 per gallon one year ago. Diesel fuel prices have been pushed lower by falling crude prices and increased refinery production.

Crude oil finished trading on November 18 at \$26.71 per barrel, down \$2.91 from last month. One year ago crude was \$18.08 per barrel. Crude oil prices have been

trending lower on news that United Nations' weapons inspectors have returned to Iraq, reducing the likelihood of an immediate military strike. In addition, analysts point to an increase in oil tanker traffic from OPEC ports, which may signal an increase in U.S. oil imports for late November and December. National crude oil inventory is at 282.8 million barrels, down 8.6 percent from the previous year. The DNR expects crude oil prices to remain volatile over the next month, with prices averaging \$26 to \$28 per barrel.

Propane

The November 18 survey found the average price of propane was \$0.83 per gallon. This is up \$0.03 from the previous month and \$0.03 (3.5 percent) below the price of propane at this time last year. By Nov. 8, U.S. propane inventory stood at 62 million barrels, down 2.7 million barrels (4.1 percent) from the previous month. U.S. propane inventory remains 6.6 percent below last year.

Heating Oil Prices

The November 18 survey found the average price of No.2 heating oil was \$1.06 per gallon, down \$0.08 from last month. A year ago, the average price was \$0.97 per gallon. The Department expects heating oil prices to increase a few cents over the next month as heating oil begins its seasonal climb in November, responding to weather-related demand.

MOTOR FUELS SURVEY

Self-Serve	October 18	November 18	Change
Regular Unleaded	1.45	1.38	-0.07
Regular Unleaded with Ethanol	1.44	1.37	-0.07
Premium Unleaded	1.53	1.48	-0.05
Diesel	1.51	1.46	-0.05
Full-Serve	October 18	November 18	Change
Regular Unleaded	1.56	1.45	-0.09
Regular Unleaded with Ethanol	1.55	1.47	-0.08
Premium Unleaded	1.68	1.50	-0.18
Diesel	1.52	1.50	-0.02

HEATING FUELS SURVEY

	October 14	November 18	Change
Propane	0.80	0.83	+0.03
#2 Heating Oil	1.14	1.06	-0.08

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	October 18	November	Change
Ames	1.48	1.33	-0.15
Cedar Rapids	1.39	1.30	-0.09
Council Bluffs	1.43	1.33	-0.10
Davenport	1.44	1.37	-0.07

Des Moines	1.47	1.37	-0.10
Dubuque	1.50	1.36	-0.14
Fort Dodge	1.52	1.52	Same
Iowa City	1.50	1.38	-0.12
Sioux City	1.41	1.40	-0.01
Waterloo	1.44	1.36	-0.08
Average Metro Price	1.43	1.36	-0.07

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	October 18	November 18	Change
Northeast	1.45	1.36	-0.09
Northwest	1.48	1.47	-0.01
Southeast	1.43	1.39	-0.04
Southwest	1.46	1.40	-0.06
Rural Area Average	1.46	1.40	-0.06

Wholesale Prices in Metropolitan Areas Around Iowa

Unleaded (cents per gallon)	October 3	November 7
Des Moines	95.37	90.06
Dubuque	95.53	90.67
Diesel Fuel (cents per gallon)	October 3	November 7
Des Moines	94.72	83.98
Dubuque	95.16	84.77

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